



# **NATIONAL ACTION PLAN FOR EMPLOYMENT**

**2004**

**ANNEX**



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## **ANNEX 1**

## **INDICATORS**

**GUIDELINE 1      ACTIVE AND PREVENTIVE MEASURES FOR THE UNEMPLOYED AND INACTIVE**

**Table 1      Long-term unemployment rate\***  
Key indicator 6

| Reference period | Total | Men | Women |
|------------------|-------|-----|-------|
| 2002             | 2.4   | 2.7 | 2.1   |
| 2003             | 2.4   | 2.5 | 2.3   |

\*Long-term unemployed as a proportion of active population

Source: EUROSTAT

**Table 2      Preventative indicator in 2003 for the unemployed registered for the first time 6/12 months earlier or repeatedly**  
Key indicator 7

| Categories  | (A) persons    | (B) persons    | (C) %        |
|---|----------------|----------------|--------------|
| <b>Youth under 25</b>                                 |                |                |              |
| Up to primary school                                  | 52,637         | 14,451         | 27.45        |
| Vocational training school                            | 47,154         | 10,746         | 22.79        |
| General secondary school, vocational secondary school | 57,051         | 9,405          | 16.49        |
| Tertiary education                                    | 8,178          | 872            | 10.66        |
| <i>Men</i>  | 90,942         | 19,776         | 21.75        |
| <i>Women</i>  | 74,078         | 15,698         | 21.19        |
| <b>TOTAL</b>  | <b>165,020</b> | <b>35,474</b>  | <b>21.50</b> |
| <b>Adults (&gt;=25 years of age)</b>                  |                |                |              |
| Up to primary school education                        | 184,575        | 47,223         | 25.58        |
| Vocational training school                            | 167,180        | 30,340         | 18.15        |
| General secondary school, vocational secondary school | 100,891        | 16,404         | 16.26        |
| Tertiary education                                    | 22,748         | 3,015          | 13.25        |
| People between 25 and 49 years of age                 | 397,818        | 77,776         | 19.55        |
| 50 years of age or older                              | 77,576         | 19,206         | 24.76        |
| <i>Men</i>  | 257,054        | 51,887         | 20.19        |
| <i>Women</i>  | 218,340        | 45,095         | 20.65        |
| <b>TOTAL</b>  | <b>475,394</b> | <b>96,982</b>  | <b>20.40</b> |
| <b>COUNTIES TOTAL:</b>                                |                |                |              |
|   | <b>640,414</b> | <b>132,456</b> | <b>20.68</b> |

(A) - Total registered unemployed at the end of the year when the survey started.

(B) - Total number of unemployed not having benefited from preventative services by the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)\*100/(A)]

Source: National Employment Office (NEO)

**Table 3 New start indicator in 2003 for the unemployed registered for the first time  
6/12 months earlier or repeatedly**

Key indicator 8

| Categories  | (A) persons    | (B) persons    | (C) %        |
|---|----------------|----------------|--------------|
| <b>Youth under 25</b>                                 |                |                |              |
| Up to primary school education                        | 52,637         | 17,671         | 33.57        |
| Vocational training school                            | 47,154         | 14,317         | 30.36        |
| General secondary school, vocational secondary school | 57,051         | 13,096         | 22.95        |
| Tertiary education                                    | 8,178          | 1,329          | 16.25        |
| <i>Men</i>  | 90,942         | 25,324         | 27.85        |
| <i>Women</i>  | 74,078         | 21,089         | 28.47        |
| <b>TOTAL</b>  | <i>165,020</i> | <i>46,413</i>  | <i>28.13</i> |
|   |                |                |              |
| <b>Adults (&gt;=25 )</b>                              |                |                |              |
| Up to primary school education                        | 184,575        | 47,375         | 25.67        |
| Vocational training school                            | 167,180        | 33,693         | 20.15        |
| General secondary school, vocational secondary school | 100,891        | 18,078         | 17.92        |
| Tertiary education                                    | 22,748         | 3,291          | 14.47        |
| People between 25 and 49 years of age                 | 397,818        | 83,076         | 20.88        |
| 50 years of age or older                              | 77,576         | 19,361         | 24.96        |
| <i>Men</i>  | 257,054        | 53,794         | 20.93        |
| <i>Women</i>  | 218,340        | 48,643         | 22.28        |
| <b>TOTAL</b>  | <i>475,394</i> | <i>102,437</i> | <i>21.55</i> |
|   |                |                |              |
| <b>COUNTIES TOTAL:</b>                                | <b>640,414</b> | <b>148,850</b> | <b>23.24</b> |

(A) - Total registered unemployed at the end of the year when the survey started

(B) - Total number of unemployed not having been offered a new start, at the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)\*100/(A)]

Source: NEO

**Table 4 New start combined indicator in 2003 for the unemployed registered for the first time 6/12 months earlier or repeatedly**

Key indicator 9

| Categories  | (A) persons    | (B) persons    | (C) %        |
|---|----------------|----------------|--------------|
| <b>Youth under 25</b>                                 |                |                |              |
| Up to primary school education                        | 52,637         | 12,987         | 24.67        |
| Vocational training school                            | 47,154         | 9,916          | 21.03        |
| General secondary school, vocational secondary school | 57,051         | 8,672          | 15.20        |
| Tertiary education                                    | 8,178          | 834            | 10.20        |
| <i>Men</i>  | <i>90,942</i>  | <i>17,939</i>  | <i>19.73</i> |
| <i>Women</i>  | <i>74,078</i>  | <i>14,470</i>  | <i>19.53</i> |
| <b>TOTAL</b>  | <b>165,020</b> | <b>32,409</b>  | <b>19.64</b> |
| <b>Adults (&gt;=25 )</b>                              |                |                |              |
| Up to primary school education                        | 184,575        | 35,126         | 19.03        |
| Vocational training school                            | 167,180        | 23,019         | 13.77        |
| General secondary school, vocational secondary school | 100,891        | 12,455         | 12.35        |
| Tertiary education                                    | 22,748         | 2,316          | 10.18        |
| People between 25 and 49 years of age                 | 397,818        | 58,092         | 14.60        |
| 50 years of age or older                              | 77,576         | 14,824         | 19.11        |
| <i>Men</i>  | <i>257,054</i> | <i>38,272</i>  | <i>14.89</i> |
| <i>Women</i>  | <i>218,340</i> | <i>34,644</i>  | <i>15.87</i> |
| <b>TOTAL:</b>   | <b>475,394</b> | <b>72,916</b>  | <b>15.34</b> |
| <b>COUNTIES TOTAL:</b>                                | <b>640,414</b> | <b>105,325</b> | <b>16.45</b> |

(A) - Total registered unemployed at the end of the year when the survey started

(B) - Total number of unemployed not having received either a preventative services or a new start benefit, at the end of the year

Indicator calculated from columns (A) and (B) in % [(C)= (B)\*100/(A)]

Source: NEO

**Table 5 Follow-up of participants in active measures**

Key indicator 11

| Reference period   | Unemployed |          |       | Employed | Supported entrepreneurs | Employed with wage subsidies | Employed in public works | School leavers                      |                    |
|--|------------|----------|-------|----------|-------------------------|------------------------------|--------------------------|-------------------------------------|--------------------|
|  | proposed   | accepted | total |          |                         |                              |                          | Support for gaining work experience | Employment subsidy |
|  | training   |          |       |          |                         |                              |                          |                                     |                    |
| 2002   | 43.3       | 45.8     | 44.4  | 92.7     | 90.7                    | 62.9                         | 1.8                      | 66.9                                | 78.4               |
| 2003   | 43.2       | 46.0     | 44.4  |          | 89.6                    | 62.0                         | 1.4                      | 66.1                                | 78.2               |
| average rate of inflow of LMP participants into employment in the case of Hungary: 57%<br>( without public work) |            |          |       |          |                         |                              |                          |                                     |                    |

Source: NEO



**Table 6 Inflow into long-term unemployment**  
Context indicator 8

| Categories                   | 2001 | 2002 | 2003 |
|------------------------------|------|------|------|
| <b>Youth (&lt;25 years)</b>  | 18.4 | 19.8 | 21.3 |
| <i>Men</i>                   | 18.5 | 19.7 | 21.1 |
| <i>Women</i>                 | 18.4 | 19.8 | 21.6 |
| <b>Adults (&gt;25 years)</b> | 13.9 | 13.0 | 13.9 |
| <i>Men</i>                   | 13.4 | 12.5 | 13.3 |
| <i>Women</i>                 | 14.6 | 13.6 | 14.7 |

\*People under 25 are considered as long-term unemployed after six months following registration, and people older than 25 years of age are considered as such after 12 months  
Source: NEO

**Table 7 Youth unemployment ratio**  
Context indicator 9

| Categories   | 2001 | 2002 | 2003 |
|--------------|------|------|------|
| <b>Total</b> | 11.3 | 12.6 | 13.4 |
| <b>Men</b>   | 12.2 | 13.2 | 13.8 |
| <b>Women</b> | 10.0 | 11.9 | 12.9 |

Source: Central Statistical Office

**Table 8 Expenditures on active and passive employment measures**

1992-2003

billion HUF, million ECU/Euro and as a percentage of GDP

Context indicator 10

|   | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Total expenditure</b>                              |       |       |       |       |       |       |       |       |       |       |       |       |
| billion HUF   | 82.8  | 99.0  | 79.9  | 74.0  | 77.4  | 91.4  | 101.6 | 110.1 | 112.8 | 124.0 | 149.9 | 157.4 |
| million ECU/Euro                                      | 811.0 | 920.9 | 640.3 | 455.0 | 404.9 | 433.3 | 421.6 | 435.5 | 433.8 | 494.8 | 616.9 | 620.9 |
| as a percentage of the GDP                            | 2.81  | 2.79  | 1.83  | 1.33  | 1.13  | 1.07  | 1.01  | 0.96  | 0.86  | 0.86  | 0.90  | 0.85  |
| <b>Passive measures</b>                               |       |       |       |       |       |       |       |       |       |       |       |       |
| billion HUF   | 65.0  | 75.6  | 53.1  | 50.4  | 51.2  | 53.1  | 61.8  | 63.9  | 61.1  | 56.6  | 63.2  | 67.7  |
| million ECU/Euro                                      | 636.6 | 703.3 | 425.5 | 309.9 | 267.9 | 251.7 | 256.5 | 252.8 | 235.0 | 220.5 | 260.1 | 267.1 |
| as a percentage of the GDP                            | 2.21  | 2.13  | 1.22  | 0.92  | 0.75  | 0.62  | 0.61  | 0.56  | 0.47  | 0.39  | 0.38  | 0.36  |
| <i>Unemployment benefit</i>                           | 2.15  | 2.02  | 1.07  | 0.72  | 0.60  | 0.46  | 0.45  | 0.47  | 0.44  | 0.38  | 0.38  | 0.36  |
| <i>Early retirement</i>                               | 0.05  | 0.11  | 0.15  | 0.19  | 0.15  | 0.17  | 0.16  | 0.09  | 0.03  | 0.00  | 0.00  | 0.00  |
| <b>Active measures</b>                                |       |       |       |       |       |       |       |       |       |       |       |       |
| billion HUF   | 17.8  | 23.4  | 26.8  | 23.7  | 26.1  | 38.4  | 39.9  | 46.3  | 51.6  | 71.0  | 87.3  | 89.7  |
| million ECU/Euro                                      | 174.3 | 217.7 | 214.8 | 145.7 | 136.5 | 182.1 | 165.6 | 183.1 | 198.4 | 276.6 | 359.3 | 353.8 |
| as a percentage of the GDP                            | 0.61  | 0.66  | 0.61  | 0.43  | 0.38  | 0.45  | 0.40  | 0.40  | 0.39  | 0.48  | 0.52  | 0.48  |
| <i>PES and administration</i>                         | 0.15  | 0.15  | 0.15  | 0.13  | 0.12  | 0.14  | 0.12  | 0.12  | 0.11  | 0.12  | 0.12  | 0.12  |
| <i>Training</i>                                       | 0.15  | 0.23  | 0.19  | 0.13  | 0.08  | 0.08  | 0.07  | 0.07  | 0.07  | 0.07  | 0.06  | 0.06  |
| <i>Subsidised employment</i>                          | 0.31  | 0.28  | 0.27  | 0.17  | 0.18  | 0.23  | 0.20  | 0.22  | 0.22  | 0.29  | 0.34  | 0.30  |
| <i>Share of active measures of total spending (%)</i> | 21    | 24    | 34    | 32    | 34    | 42    | 39    | 42    | 46    | 56    | 58    | 57    |

Source: NEO

**Table 9 Number and activity rate of registered unemployed, %**

| Categories  | 2001    | 2002    | 2003    |
|---|---------|---------|---------|
| A) Number of people participating in active employment measures | 102,904 | 82,952  | 81,260  |
| B) Number of registered unemployed                              | 364,140 | 344,715 | 357,212 |
| Activity rate A/(A+B)   | 22.1    | 19.4    | 18.5    |

Source: NEO

## GUIDELINE 2      JOB CREATION AND ENTREPRENEURSHIP

**Table 10   Number of employed aged 15 to 64 and its change between 2003-2002,  
by national economic sectors and genders**

Key indicator 13

| Sector | Total     |           |         | Men       |           |         | Women     |           |         |
|--------|-----------|-----------|---------|-----------|-----------|---------|-----------|-----------|---------|
|        | 2002      | 2003      | Index % | 2002      | 2003      | Index % | 2002      | 2003      | Index % |
| AB     | 239,132   | 213,151   | 89.1    | 175,922   | 164,937   | 93.8    | 63,210    | 48,214    | 76.3    |
| C      | 14,777    | 12,773    | 86.4    | 13,379    | 10,966    | 82.0    | 1,398     | 1,807     | 129.3   |
| D      | 958,609   | 923,153   | 96.3    | 563,474   | 545,620   | 96.8    | 395,135   | 377,533   | 95.5    |
| E      | 74,207    | 68,055    | 91.7    | 55,651    | 50,082    | 90.0    | 18,556    | 17,973    | 96.9    |
| F      | 270,421   | 298,827   | 110.5   | 249,891   | 274,553   | 109.9   | 20,530    | 24,274    | 118.2   |
| G      | 549,465   | 550,203   | 100.1   | 262,351   | 266,181   | 101.5   | 287,114   | 284,022   | 98.9    |
| H      | 136,419   | 138,792   | 101.7   | 61,955    | 59,445    | 95.9    | 74,464    | 79,347    | 106.6   |
| I      | 309,489   | 302,634   | 97.8    | 227,021   | 219,031   | 96.5    | 82,468    | 83,603    | 101.4   |
| J      | 74,716    | 72,359    | 96.8    | 22,871    | 22,514    | 98.4    | 51,845    | 49,845    | 96.1    |
| K      | 229,449   | 260,873   | 113.7   | 126,442   | 141,341   | 111.8   | 103,007   | 119,532   | 116.0   |
| L      | 280,998   | 293,533   | 104.5   | 147,166   | 150,444   | 102.2   | 133,832   | 143,089   | 106.9   |
| M      | 315,597   | 325,544   | 103.2   | 67,692    | 69,209    | 102.2   | 247,905   | 256,335   | 103.4   |
| N      | 238,612   | 265,100   | 111.1   | 55,396    | 61,407    | 110.9   | 183,216   | 203,693   | 111.2   |
| O-Q    | 158,551   | 172,200   | 108.6   | 71,232    | 76,919    | 108.0   | 87,319    | 95,281    | 109.1   |
| A-Q    | 3,850,442 | 3,897,197 | 101.2   | 2,100,443 | 2,112,649 | 100.6   | 1,749,999 | 1,784,548 | 102.0   |
| G-Q    | 2,293,296 | 2,381,238 |         | 1,042,126 | 1,066,491 |         | 1,251,170 | 1,314,747 |         |

Source: Central Statistical Office

Notes (symbols of different national economic sectors):

A, B: Agriculture  
 C, E: Energy industry, total  
 D: Manufacturing industry  
 F: Construction industry  
 G: Trade, repair  
 H: Accommodation services  
 I: Transport and warehousing  
 J: Financial activities  
 K: Real estate transactions  
 L: Public administration, protection; social insurance  
 M: Education  
 N: Health care, social benefits  
 O-Q: Other public/personal services  
 G-Q: Servicing sector, total

**Table 11 Employment rate of people aged 15 to 64 by sectors, and the rate of the non-employed, 1992-2002**  
Context indicator 12

| Categories   | Agriculture | Industry    | Services    | Non-employed |
|--------------|-------------|-------------|-------------|--------------|
| <b>Total</b> |             |             |             |              |
| 1992         | 6.5         | 20.8        | 30.7        | 42.0         |
| 1993         | 5.0         | 18.8        | 30.7        | 45.5         |
| 1994         | 4.7         | 18.0        | 30.8        | 46.5         |
| 1995         | 4.2         | 17.4        | 30.9        | 47.5         |
| 1996         | 4.4         | 17.3        | 30.7        | 47.6         |
| 1997         | 4.2         | 17.6        | 30.7        | 47.5         |
| 1998         | 4.1         | 18.5        | 31.1        | 46.3         |
| 1999         | 3.9         | 19.1        | 32.6        | 44.4         |
| 2000         | 3.7         | 19.1        | 33.5        | 43.7         |
| 2001         | 3.5         | 19.4        | 33.4        | 43.7         |
| 2001*        | 3.5         | 19.3        | 33.4        | 43.8         |
| 2002*        | 3.5         | 19.2        | 33.5        | 43.8         |
| 2003*        | <b>3.1</b>  | <b>19.1</b> | <b>34.8</b> | <b>43.0</b>  |
| <b>Men</b>   |             |             |             |              |
| 1992         | 9.2         | 26.8        | 28.0        | 36.0         |
| 1993         | 7.2         | 24.7        | 28.1        | 40.0         |
| 1994         | 7.0         | 24.0        | 28.6        | 40.4         |
| 1995         | 6.5         | 23.8        | 29.2        | 40.5         |
| 1996         | 6.8         | 23.5        | 29.3        | 40.4         |
| 1997         | 6.4         | 24.2        | 29.3        | 40.1         |
| 1998         | 6.3         | 25.2        | 28.9        | 39.6         |
| 1999         | 6.1         | 26.2        | 30.1        | 37.6         |
| 2000         | 5.7         | 26.0        | 31.4        | 36.9         |
| 2001         | 5.4         | 26.3        | 31.4        | 36.9         |
| 2001*        | 5.4         | 26.1        | 31.4        | 37.1         |
| 2002*        | 5.3         | 26.4        | 31.2        | 37.1         |
| 2003*        | <b>5.0</b>  | <b>26.5</b> | <b>32.0</b> | <b>36.6</b>  |
| <b>Women</b> |             |             |             |              |
| 1992         | 4.0         | 15.0        | 33.3        | 47.7         |
| 1993         | 2.9         | 13.2        | 33.2        | 50.7         |
| 1994         | 2.6         | 12.3        | 32.9        | 52.2         |
| 1995         | 2.1         | 11.4        | 32.4        | 54.1         |
| 1996         | 2.1         | 11.4        | 32.0        | 54.5         |
| 1997         | 2.0         | 11.4        | 32.1        | 54.5         |
| 1998         | 1.9         | 12.1        | 33.3        | 52.7         |
| 1999         | 1.8         | 12.3        | 34.9        | 51.0         |
| 2000         | 1.7         | 12.5        | 35.5        | 50.3         |
| 2001         | 1.7         | 12.7        | 35.4        | 50.2         |
| 2001*        | 1.8         | 12.7        | 35.3        | 50.2         |
| 2002*        | 1.8         | 12.4        | 35.6        | 50.2         |
| 2003*        | <b>1.4</b>  | <b>12.0</b> | <b>37.5</b> | <b>49.1</b>  |

\*Re-weighted figures in accordance with population roll-over based on the 2001 census, without conscripts.

*Source: Central Statistical Office Labour Survey*

**GUIDELINE 3 ADDRESS CHANGE AND PROMOTE ADAPTABILITY AND MOBILITY IN THE LABOUR MARKET**

**Table 12 Number of injuries and fatalities caused by an occupational accident**

Key indicator 17

| Categories   | 2000        | 2001        | 2002        |
|--|-------------|-------------|-------------|
| Number of persons who died or were injured as a result of an occupational accident | 28,220      | 26,369      | 26,072      |
| Number of employed   | 3,829,100*  | 3,844,500*  | 3,870,600   |
| Occupational accidents per one hundred thousand employed                           | 737         | 685.9       | 673.6       |
| Change (1998=100%)   | <b>94.4</b> | <b>87.9</b> | <b>86.3</b> |

\* earlier weight

Source: Central Statistical Office Statistical Department of Health Care

**Table 13 Number of fatalities caused by an occupational accident**

Basic figures for the key indicator 17

| Categories   | 2000      | 2001      | 2002      |
|--|-----------|-----------|-----------|
| Number of persons who died as a result of an occupational accident | 153       | 128       | 170       |
| Employed   | 3,829,100 | 3,844,500 | 3,870,600 |
| Fatal occupational accidents per one hundred thousand employed     | 4.00      | 3.33      | 4.39      |

Source: Central Statistical Office Statistical Department of Health Care

**Table 14 Number of reported occupational diseases**

Basic figures for the key indicator 18

| Categories                                 | 2000 | 2001 | 2002 |
|--|------|------|------|
| Men  | 450  | 360  | 367  |
| Women                                      | 117  | 121  | 121  |
| <b>Total</b>                               | 567  | 481  | 488  |
| Diseases per one hundred thousand employed | 15.1 | 12.8 | 12.7 |

Source: Central Statistical Office, Statistical Department of Health Care

**Table 15 Number of employed person aged 15 to 64 by working hours and type of employment in 2003**

Basic figures for the key indicator 15

| Reference period | Employed aged 15 to 64<br>in part-time employment |           |         | Employed aged 15 to 64<br>not employed part-time |           |           | Total<br>number<br>of<br>employed<br>aged 15 | Part-time  | Non-part-time | Independent<br>aged 15-64,<br>total | Assisting family members<br>aged 15 to 64,<br>total | Total<br>number<br>of<br>employed<br>aged 15 to 64 |           |
|------------------|---|-----------|---------|--|-----------|-----------|--|--|---------------|-------------------------------------|---|--|-----------|
|                  | defined   | undefined | total   | defined  | undefined | total     |  | employed,<br>independent,<br>of 15 to 64<br>years of age |               |                                     |   |  |           |
|                  | period of contract                                |           |         | period of contract                               |           |           |  |  |               |                                     |   |  |           |
|                  | number of persons                                 |           |         |  |           |           |  |  |               |                                     |   |  |           |
|                  | a   | b         | c=a+b   | d  | e         | f=d+e     | g=c+f  | h  | i             | j=h+i                               | k   | l=g+j+k  |           |
|                  | Total   |           |         |  |           |           |  |  |               |                                     |   |  |           |
|                  | 2002  | 22,889    | 92,351  | 115,240  | 216,143   | 2,992,384 | 3,208,528                                    | 3,323,768  | 25,601        | 477,413                             | 503,014   | 23,660   | 3,850,341 |
| 2003             | 29,778  | 106,983   | 136,761 | 223,445  | 3,021,757 | 3,245,202 | 3,381,963                                    | 25,220   | 469,201       | 494,421                             | 20,816  | 3,897,199  |           |
| Men              |   |           |         |  |           |           |  |  |               |                                     |   |  |           |
| 2002             | 9,826   | 32,842    | 42,668  | 126,005  | 1,577,620 | 1,703,625 | 1,746,293                                    | 14,633   | 332,366       | 346,999                             | 7,150   | 2,100,342  |           |
| 2003             | 12,985  | 36,021    | 49,006  | 132,931  | 1,577,297 | 1,710,228 | 1,759,233                                    | 12,774   | 332,911       | 345,685                             | 7,729   | 2,112,647  |           |
| Women            |   |           |         |  |           |           |  |  |               |                                     |   |  |           |
| 2002             | 13,063  | 59,509    | 72,572  | 90,138   | 1,414,765 | 1,504,903 | 1,577,475                                    | 10,968   | 145,048       | 156,015                             | 16,510  | 1,750,000  |           |
| 2003             | 16,793  | 70,963    | 87,756  | 90,514   | 1,444,460 | 1,534,974 | 1,622,730                                    | 12,447   | 136,290       | 148,737                             | 13,086  | 1,784,552  |           |

Source: Central Statistical Office

**Table 16 Employment by working hours and type of employment**  
Key indicator 15

| Reference period | 1. Total part-time, defined period employed, and total self-employed as a percentage of the total employed | 2. People employed in atypical employment (part-time and/or defined period contract) as a percentage of all employed |  |  |       | 3. Total number of self-employed as a percentage of all employed |       |
|------------------|--|--|--|--|-------|--|-------|
|                  |  | Part-time only, total  | Only employed on the basis of defined period contract, total | Part-time <i>and</i> defined working hours | Total | Part-time*   | Total |
|                  |  |  |  |  |       |  |       |
|                  |  |  |  |  |       |  |       |
| Total            |  |  |  |  |       |  |       |
| 2002             | 21.7   | 3.5  | 7.2  | 0.7  | 11.1  | 0.7  | 13.1  |
| 2003             | 21.9   | 4.0  | 7.5  | 0.9  | 11.9  | 0.6  | 12.7  |
| Men              |  |  |  |  |       |  |       |
| 2002             | 24.6   | 2.4  | 7.8  | 0.6  | 10.7  | 0.7  | 16.5  |
| 2003             | 25.0   | 2.8  | 8.3  | 0.7  | 11.5  | 0.6  | 16.4  |
| Women            |  |  |  |  |       |  |       |
| 2002             | 18.2   | 4.6  | 6.5  | 0.8  | 11.5  | 0.6  | 8.9   |
| 2003             | 18.3   | 5.4  | 6.6  | 1.0  | 12.3  | 0.7  | 8.3   |
| EU               |  |  |  |  |       |  |       |
| Total            |  |  |  |  |       |  |       |
| 2002             | 38.0   | 15.4   | 9.7  | 3.4  | 28.7  | 1.7  | 14.0  |
| Men              |  |  |  |  |       |  |       |
| 2002             | 31.2   | 4.3  | 10.1   | 1.9  | 16.5  | 1.2  | 17.8  |
| Women            |  |  |  |  |       |  |       |
| 2002             | 47.1   | 28.9   | 9.1  | 5.2  | 43.4  | 2.3  | 8.9   |

\* on the basis of the number of all employed

Source: Central Statistical Office

**Table 17 Vacancies and the annual average number of registered unemployed, 1998-2003**

Context indicator 15

| Categories                       | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    |
|----------------------------------|---------|---------|---------|---------|---------|---------|
| number of registered vacant jobs | 48,260  | 51,271  | 50,000  | 45,156  | 44,603  | 47,239  |
| Number of registered unemployed  | 423,121 | 409,489 | 390,492 | 364,160 | 344,715 | 357,212 |
| Vacancies per one unemployed     | 0,11    | 0,13    | 0,13    | 0,12    | 0,13    | 0,13    |

Source: NEO

**GUIDELINE 4      PROMOTE DEVELOPMENT OF HUMAN CAPITAL AND LIFE-LONG LEARNING**

**Table 18   Percentage of 22 years olds having achieved at least upper secondary education**

Key indicator 20

| Categories | Total | Men  | Women |
|------------|-------|------|-------|
| 2001       | 86.5  | 86.9 | 86.1  |
| 2002       | 87.6  | 87.4 | 87.8  |
| 2003       | 86.0  | 85.0 | 87.1  |

\* ISCED 3

Source: Central Statistical Office

**Table 19   Participation in education (25-64) %**

Key indicator 21

| Categories | Total | Men | Women |
|------------|-------|-----|-------|
| 2001*      | 3.0   | 2.5 | 3.4   |
| 2002*      | 3.2   | 2.8 | 3.6   |
| 2003*      | 6.0   | 5.4 | 6.5   |

\* Second quarter figures

Source: EUROSTAT

**Table 20   Total public expenditure on education as a percentage of GDP**

Key indicator 22

| 2000 | 2001 | 2002 |
|------|------|------|
| 4.54 | 5.0  | 5.43 |

Source, Ministry of Education

**Table 21   Share of employees participating in training %**

Key indicator 23

| Total | Men  | Women |
|-------|------|-------|
| 12.3  | 12.9 | 11.4  |

Source: CVTS, 1999



**GUIDELINE 5      INCREASE LABOUR SUPPLY AND PROMOTE ACTIVE AGEING**

**Table 23    Share of economically active population\* by age group, %**  
Key indicator 24

| <b>Total</b> | <b>2000</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> |
|--------------|-------------|-------------|-------------|-------------|
| 15-24        | 37.2        | 34.6        | 32.6        | 30.8        |
| 25-39        | 78.4        | 78.5        | 78.1        | 78.8        |
| 40-54        | 76.3        | 75.7        | 75.9        | 76.9        |
| 55-64        | 22.6        | 24.2        | 26.4        | 29.8        |
| 15-64        | 59.9        | 59.6        | 59.7        | 60.6        |
| <b>Men</b>   |             |             |             |             |
| 15-24        | 41.8        | 39.2        | 35.9        | 34.4        |
| 25-39        | 89.5        | 89.9        | 89.6        | 89.8        |
| 40-54        | 79.5        | 78.5        | 78.9        | 79.6        |
| 55-64        | 34.1        | 35.4        | 36.9        | 39.0        |
| 15-64        | 67.5        | 67.2        | 67.1        | 67.6        |
| <b>Women</b> |             |             |             |             |
| 15-24        | 32.5        | 29.9        | 29.2        | 27.2        |
| 25-39        | 67.2        | 66.9        | 66.4        | 67.6        |
| 40-54        | 73.4        | 73.0        | 73.1        | 74.3        |
| 55-64        | 13.3        | 15.1        | 18.0        | 22.4        |
| 15-64        | 52.6        | 52.4        | 52.7        | 53.9        |

\*unemployed and employed, total

Source: Central Statistical Office Labour survey

**Table 24    Average age of withdrawal from the labour market**  
Key indicator 25

| <b>Reference period</b> | <b>Total</b> | <b>Men</b> | <b>Women</b> |
|-------------------------|--------------|------------|--------------|
| 2002                    | 59.2         | 59.6       | 58.8         |
| 2003                    | 61.5         | 61.0       | 62.2         |

Source: Central Statistical Office

**Table 25    Change in the labour supply of people aged 15 to 64, %**  
(Change in the number of economically active people\* 2003/2002)  
Context indicator 19

| <b>Total</b> | <b>Men</b> | <b>Women</b> |
|--------------|------------|--------------|
| 1.3          | 0.5        | 2.1          |

\*unemployed and employed, total

Source: Central Statistical Office

## GUIDELINE 6 GENDER EQUALITY

**Table 26 Share of unemployed within the population of a given age group, %**  
Key indicator 1

| Reference period | 15 to 24 | 25 to 54 | 55 to 64 | 15 to 64 |
|------------------|----------|----------|----------|----------|
| <b>Total</b>     |          |          |          |          |
| 2002             | 4.1      | 4        | 0.8      | 3.5      |
| 2003             | 4.1      | 4.1      | 0.8      | 3.6      |
| <b>Men</b>       |          |          |          |          |
| 2002             | 4.8      | 4.6      | 1.4      | 4.1      |
| 2003             | 4.7      | 4.7      | 1.1      | 4.1      |
| <b>Women</b>     |          |          |          |          |
| 2002             | 3.5      | 3.4      | 0.3      | 2.9      |
| 2003             | 3.5      | 3.6      | 0.6      | 3        |

*Source: Central Statistical Office*

**Table 27 Employment rate by age groups and gender**  
Key indicator 2

| Reference<br>period | 15-24   | 25-54 | 55-64 | 15-64 |
|---------------------|---|-------|-------|-------|
|                     | employment rate of population in the age groups above |       |       |       |
|                     | %   |       |       |       |
| Total               |   |       |       |       |
| 2002                | 28.5  | 73.0  | 25.6  | 56.2  |
| 2003                | 26.7  | 73.7  | 29.0  | 57.0  |
| Men                 |   |       |       |       |
| 2002                | 31.2  | 79.7  | 35.5  | 62.9  |
| 2003                | 29.7  | 80.1  | 37.9  | 63.4  |
| Women               |   |       |       |       |
| 2002                | 25.8  | 66.5  | 17.6  | 49.8  |
| 2003                | 23.7  | 67.4  | 21.8  | 50.9  |

*Source: Central Statistical Office*

**Table 28 The differences in employment rate between men and women in percentage points (15-64)**  
Key indicator 26

| Reference period | 15-24  | 25-54 | 55-64 | 15-64 |
|------------------|--|-------|-------|-------|
|                  | difference in the employment rate of men and women of the age groups above |       |       |       |
|                  | percentage point   |       |       |       |
| 2002             | 5.4  | 13.3  | 17.9  | 13.1  |
| 2003             | 6.0  | 12.7  | 16.1  | 12.5  |

Source: Central Statistical Office

**Table 29 Number of unemployed by age group and gender**  
Key indicator 27

| Reference period | 15 to 24 | 25 to 54 | 55 to 64 | 15 to 64 |
|------------------|----------|----------|----------|----------|
| <b>Total</b>     |          |          |          |          |
| 2002             | 56,538   | 172,558  | 9,378    | 238,474  |
| 2003             | 54,816   | 179,155  | 9,630    | 243,601  |
| <b>Men</b>       |          |          |          |          |
| 2002             | 32,941   | 97,794   | 7,220    | 137,955  |
| 2003             | 31,650   | 100,575  | 5,739    | 137,964  |
| <b>Women</b>     |          |          |          |          |
| 2002             | 23,597   | 74,764   | 2,158    | 100,519  |
| 2003             | 23,166   | 78,580   | 3,891    | 105,637  |

Source: Central Statistical Office

**Table 30 Earnings difference by gender %**  
Key indicator 28

| Hungary | 2000 | 2001 |
|---------|------|------|
|         | 20   | 19   |

Source: EUROSTAT

**Table 31 Trend of earnings in the public and private sectors by genders 1999-2002, %**  
Key indicator 28

| Categories         | 1999  |       |       |                    | 2000  |       |       |                    | 2001  |       |       |                    | 2002  |       |       |                    |
|--------------------|-------|-------|-------|--------------------|-------|-------|-------|--------------------|-------|-------|-------|--------------------|-------|-------|-------|--------------------|
|                    | Total | Men   | Women | Women / men =100,0 | Total | Men   | Women | Women / men =100,0 | Total | Men   | Women | Women / men =100,0 | Total | Men   | Women | Women / men =100,0 |
| Budgetary sphere   | 62.5  | 68.9  | 60.2  | 87.4               | 65.0  | 73.5  | 61.9  | 84.2               | 64.6  | 72.5  | 62.0  | 85.5               | 71.4  | 79.9  | 68.4  | 85.6               |
| Competitive sphere | 100.0 | 105.0 | 92.1  | 87.7               | 100.0 | 105.0 | 92.2  | 87.7               | 100.0 | 105.0 | 91.9  | 87.3               | 100.0 | 105.0 | 91.9  | 87.5               |

In the private sector, men and women combined = 100

Note: The source of information is a representative data survey applying to the month May and drawn up about the individual earnings with an annual frequency.

The figures apply to all organisations in the budgetary sphere, and in the competitive sphere to the businesses employing at least 10 persons (1995-2000) and at least 5 persons (as of 2001).

Source: NEO, Individual earnings data survey

**Table 32 Share of population participating in kindergarten, nursery and school education by age group (net ratio)**  
Key indicator 30

| Age group                             | 1999/2000 | 2001/2002 | 2002/2003 |
|---------------------------------------|-----------|-----------|-----------|
| Children younger than 3 years of age* | 10.3      | 10.2      | 10.1      |
| 3 to 6 years of age                   | 87.8      | 86.4      | 87.8      |
| 6 to 12 years of age                  | 100.0     | 100.0     | 100.0     |

\* children in nurseries

Source: Central Statistical Office

**Table 33 The difference in the employment rates between men and women converted into total working hours, 2002**  
Context indicator 20

| Categories | Staff-proportionate   |       | Converted to total working hours |       |
|------------|---|-------|----------------------------------|-------|
|            | employment rates of the population of 15 to 64 years of age |       |                                  |       |
|            | Men   | Women | Men                              | Women |
| EU average | 72.8  | 55.6  | 71.2                             | 46.8  |
| Difference | 17.2  |       | 24.4                             |       |
| Hungary    | 63.5  | 50.0  | 64.1                             | 49.1  |
| Difference | 13.5  |       | 15                               |       |

Source: Employment in Europe 2003. Brussels

**Table 34 Employment and unemployment rates by age group 25-64, gender and education level, 2003**

Context indicator 21

| Highest educational level  | Total       | Men         | Women       | Men-women difference |
|--|-------------|-------------|-------------|----------------------|
| <b>Employment ratios</b>   |             |             |             |                      |
| ISCED 1+2 (<=8 grades.)  | 37.9        | 44.2        | 32.7        | 11.5                 |
| ISCED 3+4 (secondary sch., vocational sch.)                      | 71.4        | 77.9        | 64.4        | 13.5                 |
| ISCED 5+6 (high education)                                       | 82.8        | 87.0        | 78.9        | 8.2                  |
| <i>Average of employment rates</i>                               | <i>64.3</i> | <i>71.9</i> | <i>57.2</i> | <i>14.7</i>          |
| <b>Unemployment rate</b>   |             |             |             |                      |
| ISCED 1+2 (<=8 grades, primary school)                           | 10.6        | 12.0        | 9.3         | 2.7                  |
| ISCED 3+4 (secondary technical school, secondary grammar school) | 4.8         | 4.9         | 4.6         | 0.3                  |
| ISCED 5+6 (high school and university)                           | 1.4         | 1.3         | 1.5         | -0.2                 |
| <i>Average of employment rates</i>                               | <i>5.1</i>  | <i>5.3</i>  | <i>4.9</i>  | <i>0.4</i>           |

*Source: Calculation based on the preliminary figure of Central Statistical Office's labour survey*

**Table 36 Population by age groups and genders**

| Reference period | 15-24                              | 25-54     | 55-64     | 15-64     |
|------------------|------------------------------------|-----------|-----------|-----------|
|                  | population of the age groups above |           |           |           |
|                  | number of persons                  |           |           |           |
| Total            |                                    |           |           |           |
| 2002             | 1,373,525                          | 4,340,291 | 1,135,993 | 6,849,809 |
| 2003             | 1,331,437                          | 4,351,970 | 1,152,869 | 6,836,277 |
| Men              |                                    |           |           |           |
| 2002             | 693,342                            | 2,137,481 | 506,999   | 3,337,822 |
| 2003             | 669,866                            | 2,144,387 | 515,766   | 3,330,018 |
| Women            |                                    |           |           |           |
| 2002             | 680,183                            | 2,202,810 | 628,995   | 3,511,987 |
| 2003             | 661,571                            | 2,207,584 | 637,104   | 3,506,258 |

*Source: Central Statistical Office*

**Table 37 Number of employed by age groups and genders**

| Reference period | 15-24                            | 25-54     | 55-64   | 15-64     |
|------------------|----------------------------------|-----------|---------|-----------|
|                  | employed of the age groups above |           |         |           |
|                  | <i>number of persons</i>         |           |         |           |
| <b>Total</b>     |                                  |           |         |           |
| 2002             | 391,607                          | 3,168,310 | 290,523 | 3,850,440 |
| 2003             | 355,529                          | 3,207,302 | 334,410 | 3,897,241 |
| <b>Men</b>       |                                  |           |         |           |
| 2002             | 216,324                          | 1,704,383 | 179,735 | 2,100,441 |
| 2003             | 198,794                          | 1,718,535 | 195,319 | 2,112,648 |
| <b>Women</b>     |                                  |           |         |           |
| 2002             | 175,283                          | 1,463,928 | 110,788 | 1,749,999 |
| 2003             | 156,736                          | 1,488,767 | 139,091 | 1,784,593 |

*Source: Central Statistical Office*

**GUIDELINE 7      PROMOTE THE INTEGRATION OF AND COMBAT THE DISCRIMINATION  
AGAINST PEOPLE AT DISADVANTAGE IN THE LABOUR MARKET**

**Table 38   Share of early school leavers aged 18 to 24, %**

Key indicator 31

| Categories                  | 2000* | 2001* | 2002* | 2003* |
|-----------------------------|-------|-------|-------|-------|
| Early school leavers, total | 13.8  | 12.9  | 12.2  | 11.8  |
| Men                         | 14.3  | 13.3  | 12.5  | 12.4  |
| Women                       | 13.2  | 12.6  | 11.8  | 11.1  |

\* 2<sup>nd</sup> quarter

Source: Central Statistical Office Labour Survey

**Table 39   Roma population (15 years and older) by employment and job seeking**

Key indicator 32, Context indicator 25

| TOTAL   | Employed | Not employed |                   |             |            |                  | Job seeker                         | Unemployed |
|---------|----------|--------------|-------------------|-------------|------------|------------------|------------------------------------|------------|
|         |          | Total        | not seeking a job | job seekers |            |                  |                                    |            |
|         |          |              |                   | total       | of which   |                  |                                    |            |
|         |          |              |                   |             | unemployed | other job seeker | as a percentage of Roma population |            |
| 122,332 | 19,227   | 103,105      | 72,995            | 30,110      | 22,492     | 7,618            | 15.8                               | 11.8       |

Source: Central Statistical Office Census

**Table 40   Number and share of people suffering from long-term health problem and people with disabilities**

by age groups, economic activity and genders, 2<sup>nd</sup> quarter of 2002

Context indicator 25

| Categories | Population of 15 to 64 years of age |  |     |                     |          |
|------------|-------------------------------------|--|-----|---------------------|----------|
|            | TOTAL                               | People suffering from a long-term health problem and people with disabilities (of population aged 15-64) |     |                     |          |
|            |                                     | Total  |     | Economically active | Inactive |
|            |                                     |  |     |                     |          |
|            | number of persons                   |  | %   |                     |          |
| Total      | 6,710,601                           | 748,174  | 100 | 12.8                | 87.2     |
| Men        | 3,287,774                           | 365,617  | 100 | 12.9                | 87.1     |
| Women      | 3,422,827                           | 382,557  | 100 | 12.7                | 87.3     |

Source: Central Statistical Office

**GUIDELINE 8      MAKE WORK PAY THROUGH INCENTIVES TO ENHANCE WORK ATTRACTIVENESS**

**Table 41    Employed persons living below 60% of the median income per one consumption unit (the poor)**

(thousand people)

Key indicator 34

| Categories      | 2001  |       |       | 2002  |      |       |
|-----------------|-------|-------|-------|-------|------|-------|
|                 | Total | Men   | Women | Total | Men  | Women |
| Employed        | 161.7 | 92.6  | 69.1  | 136.3 | 81.3 | 55.0  |
| Entrepreneurs   | 18.1  | 11.6  | 6.5   | 19.4  | 10.5 | 8.9   |
| Employed, total | 179.8 | 104.2 | 75.6  | 155.7 | 91.8 | 63.9  |

Source: Central Statistical Office

**Table 42    The working poor**

Key indicator 34

| The working poor as share of the total numbers in a given category (%) |       |     |       |       |     |       |
|--|-------|-----|-------|-------|-----|-------|
| Categories   | 2001  |     |       | 2002  |     |       |
|  | Total | Men | Women | Total | Men | Women |
| Employed   | 5.1   | 5.6 | 4.6   | 4.3   | 4.9 | 3.7   |
| Entrepreneurs  | 3.1   | 3.0 | 3.5   | 3.4   | 2.8 | 4.7   |
| Employed, total  | 4.8   | 5.1 | 4.5   | 4.2   | 4.5 | 3.8   |

Source: Central Statistical Office

**Table 43    Number of employed persons (thousand people)**

Key indicator 34

| Categories      | 2001    |         |         | 2002    |         |         |
|-----------------|---------|---------|---------|---------|---------|---------|
|                 | Total   | Men     | Women   | Total   | Men     | Women   |
| Employed        | 3,147.2 | 1,657.9 | 1,489.3 | 3,176.0 | 1,675.8 | 1,500.2 |
| Entrepreneurs   | 576.9   | 390.0   | 187.0   | 562.6   | 374.3   | 188.3   |
| Employed, total | 3,724.2 | 2,047.9 | 1,676.3 | 3,738.6 | 2,050.1 | 1,688.5 |

Source: Central Statistical Office



**Table 44 People receiving benefits by the income support system, 1995-2002**  
(as a percentage of the active population) \*

| Categories                            | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------------------------------|------|------|------|------|------|------|------|------|
| Unemployment benefit                  | 3    | 2.8  | 2.3  | 2.1  | 2.3  | 2.1  | 1.9  | 1.8  |
| Unemployment allowance                | 3.5  | 3.5  | 3.3  | 3    | 2.4  | 2.1  | 0.9  | 0.1  |
| Regular Social Benefit                |      |      |      |      |      |      | 1.1  | 1.6  |
| Participants in retraining programmes | 0.4  | 0.3  | 0.3  | 0.4  | 0.4  | 0.4  | 0.4  | 0.3  |
| Disability pension                    | 4.9  | 5.2  | 5.3  | 5.6  | 6.3  | 6.2  | 6.5  | 6.6  |
| Other disability benefits             | 4.2  | 4.7  | 5.1  | 5.3  | 5.5  | 5.4  | 5.2  | 5    |
| Sick pay                              | 2.5  | 1.8  | 1.7  | 1.7  | 1.7  | 1.8  | 1.8  | 1.9  |
| Sick leave                            | 0.6  | 0.7  | 0.7  | 0.6  | 0.7  | 0.6  | 0.6  | 0.5  |
| Early retirement pension              | 0.5  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6  | 0.6  | 0.7  |
| Pre-retirement pension                | 0.7  | 0.6  | 0.6  | 0.5  | 0.3  | 0.2  | 0.2  | 0.1  |
| Advanced old age pension              | 0.7  | 0.8  | 0.9  | 0.8  | 0.5  | 0.2  | 0    | 0    |
| Child Home Care Allowance             | 1.7  | 1.8  | 2.7  | 3.4  | 3.6  | 3.1  | 3.1  | 2.6  |
| Child Care Fee                        | 1.9  | 1.7  | 0.8  | 0    | 0    | 0.9  | 0.9  | 1.1  |
| <b>TOTAL</b>                          | 24.6 | 24.4 | 24.3 | 24   | 24.3 | 23.4 | 23.2 | 22.3 |

\*annual averages, the figures of early beneficial retirement at the end of the year

Source: Central Statistical Office, -NEO, MoEL, Ministry of Health, Social and Family Affairs

**Table 45 The unemployment trap**  
Key indicator 36

| Hungary | 2001 | 2002 |
|---------|------|------|
|         | 74.9 | 70.6 |

Source: Central Statistical Office

**Table 46 Implicit tax rates**

Context indicator 26

| Categories      | 2002       |              |              | 2003       |              |              |
|-----------------|------------|--------------|--------------|------------|--------------|--------------|
| <b>Average</b>  | <b>Men</b> | <b>Women</b> | <b>Total</b> | <b>Men</b> | <b>Women</b> | <b>Total</b> |
| lower quartile  | 59,976     | 58,763       | 59,208       | 67,162     | 70,000       | 69,000       |
| middle quartile | 89,059     | 82,543       | 85,607       | 101,052    | 100,000      | 100,517      |
| upper quartile  | 139,512    | 120,637      | 129,600      | 160,000    | 151,254      | 155,131      |
| 167%            | 171,200    | 127,169      | 154,403      | 182,067    | 136,125      | 164,817      |
| 100%            | 102,515    | 76,149       | 92,457       | 109,022    | 81,512       | 98,693       |
| 67%             | 68,685     | 51,020       | 61,946       | 73,045     | 54,613       | 66,124       |
| <b>Employee</b> |            |              |              |            |              |              |
| lower quartile  | 14,290     | 13,799       | 13,979       | 12,700     | 13,846       | 13,442       |
| middle quartile | 26,069     | 23,430       | 24,671       | 26,383     | 25,958       | 26,167       |
| upper quartile  | 55,454     | 44,636       | 50,448       | 63,483     | 57,503       | 60,154       |
| 167%            | 71,456     | 49,111       | 62,974       | 75,049     | 47,159       | 66,360       |
| 100%            | 32,223     | 20,840       | 27,445       | 29,601     | 18,494       | 25,431       |
| 67%             | 17,817     | 10,663       | 15,088       | 15,075     | 7,633        | 12,281       |
| <b>Employer</b> |            |              |              |            |              |              |
| lower quartile  | 24,292     | 23,892       | 24,039       | 25,613     | 26,550       | 26,220       |
| middle quartile | 33,889     | 31,739       | 32,750       | 36,797     | 36,450       | 36,621       |
| upper quartile  | 50,539     | 44,310       | 47,268       | 56,250     | 53,364       | 54,643       |
| 167%            | 60,996     | 46,466       | 55,453       | 63,532     | 48,371       | 57,840       |
| 100%            | 38,330     | 29,629       | 35,011       | 39,427     | 30,349       | 36,019       |
| 67%             | 27,166     | 21,337       | 24,942       | 27,555     | 21,472       | 25,271       |
| <b>Total</b>    |            |              |              |            |              |              |
| lower quartile  | 38,582     | 37,691       | 38,018       | 38,313     | 40,396       | 39,662       |
| middle quartile | 59,958     | 55,169       | 57,421       | 63,180     | 62,408       | 62,788       |
| upper quartile  | 105,993    | 88,946       | 97,716       | 119,733    | 110,867      | 114,797      |
| 167%            | 132,452    | 95,577       | 118,427      | 138,581    | 95,530       | 124,200      |
| 100%            | 70,553     | 50,469       | 62,456       | 69,028     | 48,843       | 61,450       |
| 67%             | 44,983     | 32,000       | 40,030       | 42,630     | 29,105       | 37,552       |
| <b>Rate</b>     |            |              |              |            |              |              |
| lower quartile  | 45.8       | 45.6         | 45.7         | 41.3       | 41.8         | 41.7         |
| middle quartile | 48.8       | 48.3         | 48.5         | 45.8       | 45.7         | 45.8         |
| upper quartile  | 55.8       | 53.9         | 55.2         | 55.4       | 54.2         | 54.7         |
| 167%            | 57.0       | 55.0         | 56.4         | 56.4       | 51.8         | 55.8         |
| 100%            | 50.1       | 47.7         | 49.0         | 46.5       | 43.7         | 45.6         |
| 67%             | 46.9       | 44.2         | 46.1         | 42.4       | 38.3         | 41.1         |

Source: NEO

**Table 47 Tax wedge on low-wage earners**  
Key indicator 37

| Hungary | 2001 | 2002 |
|---------|------|------|
|         | 45.8 | 42.0 |

*Source: EUROSTAT*

**GUIDELINE 10 ADDRESS REGIONAL EMPLOYMENT DISPARITIES**

**Table 48 Economic activity, activity ratio, unemployment and employment rates by region and county, (% population aged 15-64), 2003**

| Regions and counties                           | Employed  | Unemployed | Economically active persons | Economically non-active persons | of which: passive unemployed | Population of 15 to 64 years of age | Activity rate | Unemployment rate | Employment rate % |
|--|-----------|------------|-----------------------------|---------------------------------|------------------------------|-------------------------------------|---------------|-------------------|-------------------|
| <b>Central Hungary</b>                         | 1,194,731 | 50,566     | 1,245,297                   | 691,468                         | 13,433                       | 1,936,765                           | 64.3          | 4.1               | 61.7              |
| Budapest                                       | 740,175   | 28,247     | 768,422                     | 401,595                         | 6,820                        | 1,170,017                           | 65.7          | 3.7               | 63.3              |
| Pest county                                    | 454,556   | 22,319     | 476,875                     | 289,873                         | 6,613                        | 766,748                             | 62.2          | 4.7               | 59.3              |
| <b>Central Transdanubia</b>                    | 472,796   | 22,850     | 495,646                     | 263,707                         | 5,201                        | 759,353                             | 65.3          | 4.6               | 62.3              |
| Fejér county                                   | 181,816   | 9,300      | 191,116                     | 99,018                          | 1,770                        | 290,134                             | 65.9          | 4.9               | 62.7              |
| Komárom-Esztergom county                       | 134,605   | 6,070      | 140,675                     | 75,200                          | 1,334                        | 215,875                             | 65.2          | 4.3               | 62.4              |
| Veszprém county                                | 156,375   | 7,480      | 163,855                     | 89,489                          | 2,097                        | 253,344                             | 64.7          | 4.6               | 61.7              |
| <b>West Transdanubia</b>                       | 423,186   | 20,475     | 443,661                     | 240,202                         | 5,263                        | 683,863                             | 64.9          | 4.6               | 61.9              |
| Győr-Sopron county                             | 183,680   | 6,327      | 190,007                     | 110,253                         | 1,573                        | 300,260                             | 63.3          | 3.3               | 61.2              |
| Vas county                                     | 118,529   | 6,481      | 125,010                     | 58,068                          | 677                          | 183,078                             | 68.3          | 5.2               | 64.7              |
| Zala county                                    | 120,977   | 7,667      | 128,644                     | 71,881                          | 3,013                        | 200,525                             | 64.2          | 6.0               | 60.3              |
| <b>South Transdanubia</b>                      | 356,014   | 30,736     | 386,750                     | 279,320                         | 12,226                       | 666,070                             | 58.1          | 7.9               | 53.4              |
| Baranya county                                 | 139,183   | 12,286     | 151,469                     | 122,968                         | 5,225                        | 274,437                             | 55.2          | 8.1               | 50.7              |
| Somogy county                                  | 124,224   | 9,350      | 133,574                     | 89,912                          | 3,972                        | 223,486                             | 59.8          | 7.0               | 55.6              |
| Tolna county                                   | 92,607    | 9,100      | 101,707                     | 66,440                          | 3,029                        | 168,147                             | 60.5          | 8.9               | 55.1              |
| <b>North Hungary</b>                           | 435,576   | 46,995     | 482,571                     | 368,923                         | 24,482                       | 851,494                             | 56.7          | 9.7               | 51.2              |
| Borsod county                                  | 237,240   | 30,164     | 267,404                     | 221,000                         | 19,944                       | 488,404                             | 54.8          | 11.3              | 48.6              |
| Heves county                                   | 117,926   | 10,065     | 127,991                     | 89,557                          | 2,274                        | 217,548                             | 58.8          | 7.9               | 54.2              |
| Nógrád county                                  | 80,410    | 6,766      | 87,176                      | 58,366                          | 2,264                        | 145,542                             | 59.9          | 7.8               | 55.2              |
| <b>North part of the Great Hungarian Plain</b> | 531,838   | 38,717     | 570,555                     | 460,504                         | 27,713                       | 1,031,059                           | 55.3          | 6.8               | 51.6              |
| Hajdú-Bihar county                             | 195,740   | 12,535     | 208,275                     | 160,974                         | 9,653                        | 369,249                             | 56.4          | 6.0               | 53.0              |
| Jász-Nagykun-Szolnok county                    | 151,247   | 9,080      | 160,327                     | 115,180                         | 3,836                        | 275,507                             | 58.2          | 5.7               | 54.9              |
| Szabolcs-Szatmár county                        | 184,851   | 17,102     | 201,953                     | 184,350                         | 14,224                       | 386,303                             | 52.3          | 8.5               | 47.9              |
| <b>South part of the Great Hungarian Plain</b> | 483,099   | 33,924     | 517,023                     | 390,653                         | 10,887                       | 907,676                             | 57.0          | 6.6               | 53.2              |
| Bács-Kiskun county                             | 201,434   | 15,990     | 217,424                     | 144,388                         | 5,350                        | 361,812                             | 60.1          | 7.4               | 55.7              |
| Békés county                                   | 131,152   | 10,017     | 141,169                     | 120,517                         | 2,775                        | 261,686                             | 53.9          | 7.1               | 50.1              |
| Csongrád county                                | 150,513   | 7,917      | 158,430                     | 125,748                         | 2,762                        | 284,178                             | 55.8          | 5.0               | 53.0              |
| <b>TOTAL</b>                                   | 3,897,240 | 244,263    | 4,141,503                   | 2,694,777                       | 99,205                       | 6,836,280                           | 60.6          | 5.9               | 57.0              |
| <b>Of which:</b>                               |           |            |                             |                                 |                              |                                     |               |                   |                   |
| Budapest                                       | 740,175   | 28,247     | 768,422                     | 401,595                         | 6,820                        | 1,170,017                           | 65.7          | 3.7               | 63.3              |
| other cities                                   | 1,902,134 | 108,752    | 2,010,886                   | 1,259,015                       | 33,388                       | 3,269,901                           | 61.5          | 5.4               | 58.2              |
| villages                                       | 1,254,931 | 107,264    | 1,362,195                   | 1,034,167                       | 58,997                       | 2,396,362                           | 56.8          | 7.9               | 52.4              |

*Source: Labour review, 2003, including the period from January to December*

**Table 49 Number and share of participants in active measures and registered unemployed by region, 2003**

| Regions and counties                    | Participants in active measures |                  | Annual average of the number of registered unemployed | People participating in active measures | Registered unemployed | Registered unemployment rate without active measures |
|---|---------------------------------|------------------|---|---|-----------------------|--|
|   | annually involved               | annual average   |   |   |                       |  |
|   |                                 | number of people |   | average annual rate (%)                 |                       | (%)  |
| Central Hungary                         | 26,796                          | 8,607            | 35,873  |   |                       |  |
| Budapest                                | 10,607                          | 3,920            | 18,670  | 0.5                                     | 2.4                   | 2.9  |
| Pest county                             | 16,189                          | 4,687            | 17,203  | 1.0                                     | 3.7                   | 4.7  |
| Central Transdanubia                    | 26,565                          | 9,476            | 32,791  |   |                       |  |
| Fejér county                            | 10,130                          | 3,824            | 12,358  | 1.9                                     | 7.1                   | 9.0  |
| Komárom-Esztergom county                | 6,954                           | 2,549            | 9,252   | 1.9                                     | 6.0                   | 7.9  |
| Veszprém county                         | 9,481                           | 3,103            | 11,181  | 1.8                                     | 7.0                   | 8.8  |
| West Transdanubia                       | 16,321                          | 5,712            | 22,661  |   |                       |  |
| Győr-Sopron county                      | 4,439                           | 1,791            | 7,996   | 0.9                                     | 4.1                   | 5.0  |
| Vas county                              | 5,319                           | 1,740            | 5,932   | 1.3                                     | 5.0                   | 6.3  |
| Zala county                             | 6,563                           | 2,181            | 8,733   | 1.6                                     | 7.0                   | 8.6  |
| South Transdanubia                      | 29,655                          | 10,562           | 44,359  |   |                       |  |
| Baranya county                          | 11,100                          | 4,081            | 18,181  | 2.5                                     | 11.9                  | 14.4   |
| Somogy county                           | 10,371                          | 3,512            | 15,840  | 2.6                                     | 12.2                  | 14.8   |
| Tolna county                            | 8,184                           | 2,969            | 10,338  | 2.9                                     | 10.7                  | 13.6   |
| North Hungary                           | 64,449                          | 18,882           | 78,308  |   |                       |  |
| Borsod county                           | 44,427                          | 11,542           | 52,893  | 4.2                                     | 19.6                  | 23.8   |
| Heves county                            | 11,825                          | 4,401            | 13,121  | 3.3                                     | 10.0                  | 13.3   |
| Nógrád county                           | 8,197                           | 2,939            | 12,294  | 3.4                                     | 14.6                  | 18.0   |
| North part of the Great Hungarian Plain | 60,479                          | 20,259           | 79,147  |   |                       |  |
| Hajdú-Bihar county                      | 17,396                          | 5,899            | 27,857  | 2.7                                     | 13.1                  | 15.8   |
| Jász-Nagykun-Szolnok county             | 12,541                          | 4,147            | 17,003  | 2.6                                     | 10.7                  | 13.3   |
| Szabolcs-Szatmár county                 | 30,542                          | 10,213           | 34,287  | 5.0                                     | 17.7                  | 22.7   |
| South part of the Great Hungarian Plain | 40,391                          | 14,764           | 51,576  |   |                       |  |
| Bács-Kiskun county                      | 14,358                          | 5,152            | 20,033  | 2.3                                     | 9.4                   | 11.7   |
| Békés county                            | 14,383                          | 5,044            | 17,153  | 3.4                                     | 11.5                  | 14.9   |
| Csongrád county                         | 11,650                          | 4,568            | 14,390  | 2.5                                     | 8.5                   | 11.0   |
| TOTAL                                   | 264,656                         | 88,262           | 344,715   | 2.1                                     | -                     | -  |

Source: NEO

**Table 50 Participants in public work by region, 2003**

| Regions and counties                           | in public work |
|--|----------------|
| <b>Central Hungary</b>                         | 10,181         |
| Budapest                                       | 2,951          |
| Pest county                                    | 7,230          |
| <b>Central Transdanubia</b>                    | 5,652          |
| Fejér county                                   | 1,649          |
| Komárom-Esztergom county                       | 1,827          |
| Veszprém county                                | 2,176          |
| <b>West Transdanubia</b>                       | 2,581          |
| Győr-Sopron county                             | 881            |
| Vas county                                     | 456            |
| Zala county                                    | 1,244          |
| <b>South Transdanubia</b>                      | 6,665          |
| Baranya county                                 | 2,000          |
| Somogy county                                  | 3,298          |
| Tolna county                                   | 1,367          |
| <b>North Hungary</b>                           | 24,440         |
| Borsod county                                  | 19,112         |
| Heves county                                   | 2,542          |
| Nógrád county                                  | 2,786          |
| <b>North part of the Great Hungarian Plain</b> | 17,931         |
| Hajdú-Bihar county                             | 4,175          |
| Jász-Nagykun-Szolnok county                    | 3,067          |
| Szabolcs-Szatmár county                        | 10,689         |
| <b>South part of the Great Hungarian Plain</b> | 9,442          |
| Bács-Kiskun county                             | 3,127          |
| Békés county                                   | 4,669          |
| Csongrád county                                | 1,646          |
| <b>TOTAL</b>                                   | <b>76,892</b>  |

Source: NEO

## **ANNEX 2**

### **CALCULATIONS FOR SETTING THE NATIONAL TARGETS**





## Labour market forecast up to 2010 (age group between 15 and 64 years of age)

| Period                      | Number of employed in thousands | Number of unemployed in thousands | Economically active persons in thousands | Economically inactive persons in thousands | Population aged 15-64, thousand people | Employment rate, percentage | Activity rate, percentage | Unemployment rate, % |
|-----------------------------|---------------------------------|-----------------------------------|--|--|--|-----------------------------|---------------------------|----------------------|
| <b>Grand total</b>          |                                 |                                   |  |  |  |                             |                           |                      |
| 2003 baseline               | 3,897                           | 244                               | 4,141                                    | 2,695                                      | 6,836                                  | 57.0                        | 60.6                      | 5.9                  |
| 2004                        | 3,945                           | 246                               | 4,192                                    | 2,673                                      | 6,864                                  | 57.5                        | 61.1                      | 5.9                  |
| 2005                        | 4,005                           | 250                               | 4,255                                    | 2,638                                      | 6,893                                  | 58.1                        | 61.7                      | 5.9                  |
| 2006                        | 4,056                           | 253                               | 4,309                                    | 2,612                                      | 6,921                                  | 58.6                        | 62.3                      | 5.9                  |
| 2007                        | 4,100                           | 250                               | 4,350                                    | 2,555                                      | 6,906                                  | 59.4                        | 63.0                      | 5.8                  |
| 2008                        | 4,165                           | 248                               | 4,413                                    | 2,477                                      | 6,890                                  | 60.5                        | 64.0                      | 5.6                  |
| 2009                        | 4,240                           | 245                               | 4,485                                    | 2,390                                      | 6,875                                  | 61.7                        | 65.2                      | 5.5                  |
| 2010                        | 4,312                           | 242                               | 4,554                                    | 2,305                                      | 6,859                                  | 62.9                        | 66.4                      | 5.3                  |
| Annual average change       | 59                              | 0                                 | 59                                       | -56  | 3                                      | 0.8                         | 0.8                       | -0.1                 |
| <b>Men</b>                  |                                 |                                   |  |  |  |                             |                           |                      |
| 2003 actual                 | 2,113                           | 138                               | 2,250                                    | 1,079                                      | 3,330                                  | 63.4                        | 67.6                      | 6.1                  |
| 2004                        | 2,131                           | 139                               | 2,270                                    | 1,074                                      | 3,344                                  | 63.7                        | 67.9                      | 6.1                  |
| 2005                        | 2,155                           | 140                               | 2,295                                    | 1,062                                      | 3,357                                  | 64.2                        | 68.4                      | 6.1                  |
| 2006                        | 2,176                           | 142                               | 2,318                                    | 1,053                                      | 3,371                                  | 64.5                        | 68.8                      | 6.1                  |
| 2007                        | 2,199                           | 141                               | 2,339                                    | 1,024                                      | 3,364                                  | 65.4                        | 69.6                      | 6.0                  |
| 2008                        | 2,232                           | 140                               | 2,371                                    | 985  | 3,356                                  | 66.5                        | 70.7                      | 5.9                  |
| 2009                        | 2,270                           | 138                               | 2,408                                    | 941  | 3,349                                  | 67.8                        | 71.9                      | 5.7                  |
| 2010                        | 2,308                           | 137                               | 2,445                                    | 896  | 3,341                                  | 69.1                        | 73.2                      | 5.6                  |
| Annual average change       | 28                              | 0                                 | 28                                       | -26  | 2                                      | 0.8                         | 0.8                       | -0.1                 |
| <b>Women</b>                |                                 |                                   |  |  |  |                             |                           |                      |
| 2003 actual                 | 1,784                           | 106                               | 1,890                                    | 1,616                                      | 3,506                                  | 50.9                        | 53.9                      | 5.6                  |
| 2004                        | 1,815                           | 108                               | 1,922                                    | 1,599                                      | 3,521                                  | 51.5                        | 54.6                      | 5.6                  |
| 2005                        | 1,851                           | 109                               | 1,960                                    | 1,576                                      | 3,535                                  | 52.3                        | 55.4                      | 5.6                  |
| 2006                        | 1,881                           | 111                               | 1,992                                    | 1,559                                      | 3,550                                  | 53.0                        | 56.1                      | 5.6                  |
| 2007                        | 1,902                           | 110                               | 2,011                                    | 1,531                                      | 3,542                                  | 53.7                        | 56.8                      | 5.4                  |
| 2008                        | 1,934                           | 108                               | 2,042                                    | 1,493                                      | 3,534                                  | 54.7                        | 57.8                      | 5.3                  |
| 2009                        | 1,971                           | 107                               | 2,077                                    | 1,449                                      | 3,526                                  | 55.9                        | 58.9                      | 5.1                  |
| 2010                        | 2,005                           | 105                               | 2,110                                    | 1,409                                      | 3,518                                  | 57.0                        | 60.0                      | 5.0                  |
| Annual average change       | 31                              | 0                                 | 31                                       | -30  | 2                                      | 0.9                         | 0.9                       | -0.1                 |
| <b>People aged 55 to 64</b> |                                 |                                   |  |  |  |                             |                           |                      |
| 2003 actual                 | 334                             | 10                                | 344                                      | 809  | 1,153                                  | 29.0                        | 29.8                      | 2.8                  |
| 2004                        | 358                             | 10                                | 369                                      | 811  | 1,179                                  | 30.4                        | 31.3                      | 2.7                  |
| 2005                        | 383                             | 11                                | 393                                      | 813  | 1,206                                  | 31.7                        | 32.6                      | 2.7                  |
| 2006                        | 407                             | 11                                | 418                                      | 814  | 1,232                                  | 33.0                        | 33.9                      | 2.6                  |
| 2007                        | 432                             | 11                                | 443                                      | 824  | 1,267                                  | 34.1                        | 35.0                      | 2.5                  |
| 2008                        | 457                             | 12                                | 468                                      | 833  | 1,302                                  | 35.1                        | 36.0                      | 2.5                  |
| 2009                        | 482                             | 12                                | 494                                      | 842  | 1,336                                  | 36.1                        | 37.0                      | 2.4                  |
| 2010                        | 507                             | 12                                | 519                                      | 852  | 1,371                                  | 37.0                        | 37.9                      | 2.3                  |
| Annual average change       | 25                              | 0                                 | 25                                       | 6  | 31                                     | 1.1                         | 1.1                       | -0.1                 |



### **ANNEX 3**

## **THE ROLE OF NATIONAL SOURCES IN IMPLEMENTING THE GUIDELINES**

**Guideline 1**

| <b>Measures</b>               | <b>National sources</b> | <b>2004<br/>(million HUF)</b> |
|-------------------------------|-------------------------|-------------------------------|
| Active labour market policies | Labour Market Fund      | 42894.5                       |
| Unemployment benefits         | Labour Market Fund      | 75000                         |

**Guideline 2**

| <b>Measures</b>                             | <b>National sources</b>                    | <b>2004<br/>(million HUF)</b> |
|---|--|-------------------------------|
| Széchenyi Business Development Programme    | Ministry of Economy and Transport          | 10407.5                       |
| SMART Programme                             | Ministry of Economy and Transport          | 11605.9                       |
| Agricultural and environmental developments | National Environmental Programme           | 21264.5                       |
| Research and Technological Innovation Fund  | Research and Technological Innovation Fund | 14758.7                       |

**Guideline 3**

| <b>Measures</b>   | <b>National sources</b>           | <b>2004<br/>(million HUF)</b> |
|---|-----------------------------------|-------------------------------|
| National Labour Inspectorate                            | Ministry of Employment and Labour | 3412.4                        |
| Converting traditional jobs into tele-jobs              | MITS                              | 100                           |
| Increasing of community broad-band Internet penetration | MITS                              | 4873                          |

**Guideline 4**

| <b>Measures</b>   | <b>National sources</b>               | <b>2004<br/>(million HUF)</b> |
|---|---------------------------------------|-------------------------------|
| Normative support for adult training  | Labour Market Fund                    | 2900                          |
| e-Education programme   | MITS                                  | 12137                         |
| The Vocational School Development Programme   | Labour Market Fund                    | 3200                          |
| Providing scholarship to enhance the participation of disadvantaged young persons in higher education   | Public Foundation "Esély a tanulásra" | 250                           |
| Support for public education, higher education institutions and sport facilities to make buildings accessible for people with disabilities and for ensuring access to ICT for disadvantaged people. | PHARE HU 2003-004-347-02-01           | 1020.0                        |
| Regional Training Centres   | Ministry of Employment and Labour     | 1983.2                        |
| National Institute for Adult Training   | Ministry of Employment and Labour     | 695.6                         |
| Adult training programmes   | Ministry of Employment and Labour     | 56.4                          |

**Guideline 5**

| <b>Measures</b>  | <b>National sources</b>                         | <b>2004<br/>(million HUF)</b> |
|--|---|-------------------------------|
| Labour market programmes to improve the employability of school leavers (launched by 9 labour centres) | Labour Market Fund                              | 2380.1                        |
| "Young graduates in the public administration" programme   | Labour Market Fund                              | 117                           |
| Activities contributing to the improvement of health condition of active age population                | The 2004 Action Plan of Public Health Programme | 1100                          |

**Guideline 6**

| Measures   | National sources | 2004<br>(million HUF) |
|--|------------------|-----------------------|
| Facilitating the participation of women in the labour market | PHARE HU 0104-02 | 421.1                 |

**Guideline 7**

| Measures  | National sources               | 2004<br>(million HUF) |
|---|--------------------------------|-----------------------|
| Labour market programmes launched by PES for disadvantaged people   | Labour Market Fund             | 3800                  |
| Support of non- profit organisations facilitating the integration of disadvantaged people to the labour market  | National Employment Foundation | 60                    |
| Public work programmes  | Labour Market Fund and MoEL    | 3200                  |
| Creating a network of e-Esély (e-Chance) points   | MITS e-umbrella Programme      | 320                   |
| Pilot projects for the labour market involving disabled people (ensuring accessibility of the PES offices for people with disabilities; the establishment of four new RICs; 'alternative' labour market services) | Labour Market Fund             | 504.3                 |
| Programme supporting the modernisation of sheltered businesses receiving state subsidies (launched by MoEL)   | Labour Market Fund             | 130                   |
| Support of public and higher education institutions and sport facilities to improve accessibility, and programme for ensuring access to ICT for disadvantaged people.   | PHARE HU 0104-02               | 1020.0                |

**Guideline 9**

| <b>Measures</b>             | <b>National sources</b>           | <b>2004<br/>(million HUF)</b> |
|-----------------------------|-----------------------------------|-------------------------------|
| Central Employment Register | Ministry of Employment and Labour | 655.0                         |

**Guideline 10**

| <b>Measures</b>  | <b>National sources</b>                   | <b>2004<br/>(million HUF)</b> |
|--|---|-------------------------------|
| Promoting local economy, job creation and safeguarding of jobs, and encouraging business start-up and innovation (through industrial parks and 'incubator houses') | Territorial and Regional Development Fund | 16252                         |
| Financial investments related to public work   | Labour Market Fund                        | 810                           |
| Support for self-employment and business start-up  | Labour Market Fund                        | 1100                          |
| Support for job creation investments focusing on regions with high unemployment rates  | Labour Market Fund                        | 2000                          |





## **ANNEX 4**

### **THE ROLE OF THE STRUCTURAL FUNDS AND THE COHESION FUND IN IMPLEMENTING THE GUIDELINES**



| Guideline   | Measures   | Financial sources 2004-2006 (million Euro) |                         |      |       |               |
|---|--|--|-------------------------|------|-------|---------------|
|   |  | National public participation              | Community participation |      |       |               |
|   |  |  | ESF                     | ERDF | EAGGF | Cohesion Fund |
| 1. Active and preventive measures for the unemployed and inactive | Preventing and tackling unemployment (HRDOP 1.1):<br><ul style="list-style-type: none"> <li>- youth aged 16 to 30 who have not yet been employed on the labour market.</li> <li>- long-term unemployed. with special regard to people of above 45 years of age.</li> <li>- not yet long-term unemployed of above 30 years of age. for whom - by means of the programme - becoming a long-term unemployed can be prevented and the inactive population.</li> </ul>  | 29.2                                       | 87.6                    |      |       |               |
|   | Comprehensive development of the PES system (HRDOP 1.2):<br><ul style="list-style-type: none"> <li>- improvement of the system of job brokerage (consultancy. job-searching services).</li> <li>- improvement of the quality of PES services through the tin-service training with special regard to the Roma.</li> <li>- development of effective labour market analyses and research in order to anticipate changes in the labour market supply and demand.</li> <li>- provision of up-to-date labour market information and on training opportunities.</li> </ul> | 8.0  | 24.0                    |      |       |               |
| 2. Job creation and entrepreneurship                              | Support for training programmes related to investments to creating new jobs, and training to enhance the competitiveness of enterprises (HRDOP 3.4.)   | 16.7                                       | 50.1                    |      |       |               |
|   | Encouraging of investments (ECOP)*   | 32.9                                       |                         | 98.7 |       |               |
|   | SME development (ECOP)*  | 9.6  |                         | 28.8 |       |               |
|   | Development of R&D infrastructure (ECOP)*  | 32.9                                       |                         | 98.7 |       |               |
|   | Support for investments in agriculture (ARDOP 1.1)*  | 54.2                                       |                         |      | 162.7 |               |
|   | Support for young farmers (ARDOP 1.3)  | 3  |                         |      | 9     |               |

| Guideline  | Measures   | Financial sources 2004-2006 (million Euro) |                         |       |       |               |
|--|--|--|-------------------------|-------|-------|---------------|
|  |  | National public participation              | Community participation |       |       |               |
|  |  |  | ESF                     | ERDF  | EAGGF | Cohesion Fund |
| 3. Address change and promote adaptability and mobility in the labour market | Improving access to disadvantaged regions and small regions (RDOP 2.1.)  | 31.0                                       |                         | 93.1  |       |               |
|  | Upgrading the main road network (EIOP 2.1)   | 62.9                                       |                         | 156.1 |       |               |
|  | Development of transport infrastructure (EIOP 2.2)   | 10.9                                       |                         | 32.7  |       |               |
| 4. Promote development of human capital and supporting life-long learning    | Modernisation of the NQR (HRD OP 3.2.1)  | 5.2  | 15.5                    |       |       |               |
|  | Regional integrated vocational training centres: structural, methodological and infrastructural development (HRD OP 3.2.2; 4.1.1)  |  |                         |       |       |               |
|  | Converting the structure of tertiary education: elaborating short cycle training programmes adjusted to the requirements of the labour market. Bologna process (HRD OP 3.3, 4.1.2) | 6.6  | 19.9                    |       |       |               |
|  | Developing the system of adult training: improving access to adult training services (HRD OP 3.5)  | 5.1  | 15.2                    |       |       |               |
|  | Competence-based training in public education (HRD OP 3.1)   | 18.3                                       | 54.9                    |       |       |               |
|  | Supporting trade-related vocational training and retraining (ARDOP 1.4)  | 1.6  |                         |       | 4.8   |               |
| 5. Increase labour supply and promote active ageing                          | Reducing the regional differences of access to health care services, developing the infrastructure of rehabilitation services in the disadvantaged regions (HRDOP 4.3)             | 22.2                                       |                         | 66.6  |       |               |
|  | Elaborating and experimenting new methods for the training of asylum seekers and for enhancing their integration to the labour market (EQUAL-I)                                    | 0.3  | 0.9                     |       |       |               |
| 6. Gender equality   | Promoting the participation of women in the labour market and reconciliation of work and family life. (HRD OP 1.3)   | 2.8  | 8.4                     |       |       |               |

| Guideline   | Measures  | Financial sources 2004-2006 (million Euro) |                         |      |       |               |
|---|---|--|-------------------------|------|-------|---------------|
|   |   | National public participation              | Community participation |      |       |               |
|   |   |  | ESF                     | ERDF | EAGGF | Cohesion Fund |
|   | Promoting the reconciliation of work and family life by developing day-care services: developing the infrastructure of nurseries, reducing the regional differences in access to services (HRD OP 4.2.) | 8.2  |                         | 24.7 |       |               |
|   | Developing the infrastructure of kindergartens and primary schools (RDOP 2.3.)  | 10.1                                       |                         | 40.4 |       |               |
|   | Elaborating new approaches and methods for decreasing horizontal segregation (EQUAL-H)  | 0.8  | 2.4                     |      |       |               |
| 7. Promote the integration of and combat the discrimination against people at a disadvantage in the labour market | Ensuring equal opportunities within the public education system, creating new methods for preventing drop-outs (HRD OP 2.1.)  | 7.6  | 22.8                    |      |       |               |
|   | Training of professionals working in the social field (HRD OP 2.2.)   | 4.1  | 12.4                    |      |       |               |
|   | Improving the employability of disadvantaged people by practice-oriented training and alternative labour market services (HRD OP 2.3)   | 10.0                                       | 30.0                    |      |       |               |
|   | Elaborating and experimenting new methods for helping disadvantaged people to access the labour market (EQUAL-A)  | 4.2  | 12.8                    |      |       |               |
|   | Promoting inclusive work practice to facilitate the employment of people with disabilities (EQUAL-E)  | 3.9  | 11.8                    |      |       |               |
| 10. Address regional employment disparities   | Strengthening the capacities of local public administration and non-governmental organisations (RDOP 3.1)   | 5.3  | 21.5                    |      |       |               |
|   | Support for local employment initiatives, support for the social economy and developing local and regional employment strategies (RDOP 3.2)   | 3.8  | 15.2                    |      |       |               |
|   | Strengthening the co-operation of higher education institutions with local actors (RDOP 3.3)  | 2.8  | 8.4                     |      |       |               |
|   | Training programmes responsive to labour market needs for SMEs (RDOP 3.4.)  | 2.8  | 8.4                     |      |       |               |
|   | Expansion of rural income earnings opportunities (ARDOP 3.1)  | 6.3  |                         |      | 18.9  |               |
|   | LEADER+   | 4.78                                       |                         |      | 14.3  |               |

\* the resources are also supplemented by private financing



## **ANNEX 5**

### **COUNCIL RECOMMENDATIONS FOR HUNGARY**





The employment rate in Hungary is low, particularly for the low-skilled, the disadvantaged, women and for older workers. At the same time, unemployment remains well below the EU15 average. This is explained by a low participation rate, i.e. a large inactive population of working age. There are major labour market imbalances between the central and western regions, where the 'modern economy' is concentrated, and the rest of the country. Regional and sectoral mobility is low, while skills bottlenecks reflect both a lack of skilled labour and the insufficient responsiveness of education and training systems to labour market needs.

### **Increasing adaptability of workers and enterprises**

The tax wedge on labour remains high and represents an obstacle to job creation and a factor likely to contribute to undeclared work. Moreover, given the slowdown in economic growth, further efforts are required to ensure, together with the social partners, more employment-friendly wage developments. These are driven by the more competitive part of the economy and therefore not necessarily conducive to strengthening the job creation capacity of its weaker parts.

### **Attracting more people to the labour market and making work a real option for all**

The health situation of workers is an issue of concern, which may partially explain low activity. To this end, there is a need for a policy to promote better working conditions, and improving preventive and curative healthcare. Reforms of the social benefit systems, including sickness benefits, should be pursued with the view to make work pay and to reduce undeclared work.

This should be accompanied by the development of more flexible and family-friendly working arrangements, including more attractive part-time work, in particular for women and older workers. Strengthening preventive and active labour market measures for the unemployed and the inactive is also necessary, especially in the most disadvantaged regions. This calls for modern public employment services, so as to support occupational and geographic mobility. Building on the Integration Strategy, efforts are needed to improve the labour market prospects of the Roma population.

### **Investing more and more effectively in human capital and lifelong learning**

Efforts to develop lifelong learning strategies should be pursued and should encompass measures to reduce school drop-outs, to promote equal access to university education and to broaden access to training, in particular for the low-skilled and disadvantaged. It is important to improve the efficiency of the education system, and increase its flexibility in order to better adapt to the skills needs of the labour market.



## **ANNEX 6**

### **PARTNERSHIP CONSULTATION AND CONTRIBUTIONS PRESENTED BY THE SOCIAL PARTNERS**

## **Partnership consultation and contributions presented by the social partners**

### **1 THE CONSULTATION AND ITS PARTICIPANTS**

Throughout the drafting of the National Action Plan for Employment, the MoEL paid special attention to cooperating and consulting with social partners. The consultation took place in June and July, when the 9 employers' confederations, the 6 employees' confederations, the bi-partite Sectoral Dialogue Committees (ÁPB), the National Interest Reconciliation Council (OÉT) and the tripartite county labour council were invited to discuss and make comments on the draft.

The consultation was characterised by a high interest and intense participation of the social partners and as a whole the document received positive feedback. The written comments were summarised and incorporated in the draft document in August. Most of the remarks suggested incorporating further issues to the Action Plan or urged for new measures and policy responses. In addition to commenting the draft, the Government addressed both employees and employer organisations with some concrete questions as well regarding policy issues where progress can only be made in close cooperation with the social partners (such as flexibility and security, lifelong learning, and wage development). The answers received are summarised below in section 2. The feedback and comments of social partners – OÉT, ÁPB, confederations, and labour councils – on the draft action plan are presented in section 3.

### **2 THE POSITION OF SOCIAL PARTNERS ON THE THREE QUESTIONS**

*How can flexibility and security of employment be combined in a balanced way? How can employment become more flexible without significantly reducing the security of workers? What are the ways to fostering flexibility?*

According to the representatives of employees, it is hard to balance flexibility and security, nevertheless they fully acknowledge the importance of flexibility for the competitiveness of the economy. The security of employment could be enhanced among others by the following measures: dismissal protection 5 years prior to retirement (except for cases of insolvency), raising the dismissal protection period of those returning to work from an absence (child care, sick leave etc.) to 90 days, instead of redundancy payments providing regular allowance to redundant workers for a certain period of time, in case of insolvency providing free re-training or access to information on training opportunities. Moreover, the more widespread use of collective agreements or the expansion of the existing ones would also enhance security while benefiting employers as well.

The representatives of the employers emphasised the role of the legislation and the economic environment in increasing flexibility, in other words legislation should allow for more flexibility and economic conditions should be favourable. In their view, the security of employment is enhanced by a stable economic growth and predictable and stable tax and social security regimes. To this end, they suggest to set the framework for the development of tax and social security systems for the upcoming 3-5 years. Furthermore they call for a comprehensive review and reform of the labour-related contributions both paid by employers and employees. The different types of contracts should be approximated in terms of regulation, tax and social security contributions, and administrative burdens. The new Labour Code should define framework rules taking into account sectoral characteristics, and then the detailed rules should be laid down by the collective agreements. It is also important to expand the boundaries of part-time work, however creating adequate legal guarantees of part-time workers.

*How can a balanced and employment-friendly wage development be ensured? Considering the recommendations of the Council, what are the prospects of a multi-annual wage agreement?*

The representatives of the employees can only conceive a multi-annual wage agreement in a stable and predictable economic and regulatory environment. Otherwise, the agreement would prevent low-wage earners from wage-negotiations and wage-adjustments. Nonetheless, they call for a medium-term indicative agreement on the approximation of wages to the EU average. The basis of wage-negotiations should be performance and productivity. Some would consider desirable the introduction of a sectoral wage-tariff regimes and the enhancement of the role of ÁPBs. Finally, they suggest that the calculations on standard basic living cost should be made and published regularly for setting the minimum wage.

The employers claim that a distinction should be made between national wage agreement and sectoral or firm wage development. Some representatives can envisage a multi annual national wage agreement if economic growth is sustainable and stable, tax and social security regimes predictable, and the reform of the state budget is completed. Thus, a national wage agreement does not seem feasible in the near future. Nevertheless, sectoral wage agreements seem possible and preparatory activities could start. To this end a mandatory national wage-tariff regime could be created. Other employers however, exclude multi-annual wage agreements because in their view wage developments should be based on the actual growth and performance of the economy. Nonetheless they could accept sectoral wage-recommendations.

*How can investment in human capital be increased? What are the roles of the employers, employees and the Government in enhancing lifelong learning of workers?*

According to employee organisations the Government should create the legal and financial conditions, and ensure the necessary support of lifelong learning and thus make it attractive. Adequate legislation should be in place to ensure that only accredited institutions provide training, but these institutions should receive support. The prestige of vocational training should be restored and its structure modernised. Better use could be made of the experience of trade unions when planning vocational training, and bipartite vocational training centres could be set up. Vocational training should respond to the needs of the labour market. Both employees and employers should be encouraged to participate in lifelong learning.

Employers' representatives emphasise that development of human capital is a common interest, in which both employers and employees, and last but not least the Government have responsibilities. According to them more attention should be given to distance-learning and make sure that businesses have access to programmes supporting distance learning. To increase efficiency of training, there should be a closer link between adult training centres and vocational training schools. Some suggest to introduce the concept of "job-retention training" that would be organised by the employer and compulsory for the employee.

### **3 COMMENTS ON THE NATIONAL ACTION PLAN FOR EMPLOYMENT**

#### **EMPLOYEE ORGANISATIONS**

Throughout the consultation, the representatives of the employee organisations emphasised that employment policy and related measures should be integrated in a single strategic framework instead of ad hoc measures. The NAP could well serve this purpose.

##### **Guideline 1 Active and preventive measures for the unemployed and inactive population**

According to the employee organisations rising the retirement age and the prolongation of the activity of older workers would have a negative impact on the labour market situation of school leavers. As far as active measures are concerned, they suggest to increase allocated funding so that more unemployed

and inactive persons can be involved. In case of mass redundancies, a pre-assessment of necessary funding and measures should be always made. Finally, they highlight that the new employment act (already consulted with the social partners) should be ratified and enter into force in 2005.

As for the services of the PES, to increase their efficiency adequate institutional, staff and technical capacities should be ensured at all levels, and cooperation with local stakeholders (local governments, NGOs) strengthened. Social partners should be more closely involved in the preparation and implementation of PES programmes.

## **Guideline 2    Job creation and entrepreneurship**

In general, more attention should be paid to job creation but they suggest to emphasise job-retention as well. They agree that to create jobs, in the first place existing businesses should be strengthened and to a less extent more new businesses created. Some organisations call for stricter labour inspection.

Concerning the agricultural sector, employee organisations establish that the expected decline of the number of producers and the increase of farm size is a necessary, however not sufficient condition of increasing the competitiveness of agriculture. There is a need for an increased cooperation and association of competitive producers, and the strengthening consultancy capacities. Moreover, the tax-regime should become fully sector-neutral.

## **Guideline 3    Address change and promote adaptability and mobility in the labour market**

According to the representatives of the employees adaptability can be enhanced by planned restructuring. The Government should make such sectoral and regional economic policies that facilitate labour-demand forecasting as well. They also emphasise the need for reliable economic analysis and prognosis that can be carried out in co-operation with the social partners.

The widespread proliferation of atypical employment forms is prevented not only by the problems of legislation, but also by the low wages and the uncertainties of fixed-term and self-employment. Nevertheless, employee organisations acknowledge that in certain sectors, most importantly in agriculture, traditional forms of employment are more and more replaced by atypical or undeclared work. Legal atypical contracts should thus be promoted more intensively by easing the administrative burden and tax wedge of employers, and increasing the legal protection of employees.

According to trade unions, the mobility of labour is hindered by bad transport infrastructure and the regional disparities of the real estate market. Suburban transport in cities is particularly poor and a greater emphasis should be put on the development of railways.

## **Guideline 4    Promote development of human capital and life-long learning**

This guideline is of outstanding importance because only a well-educated and skilled workforce can create a knowledge-based society, improve productivity and boost job creation. Education and training from vocational schools to universities should be in line with and respond to the needs and structure of the economy. Trade unions certainly see a role for themselves in contributing to these objectives. Finally, vocational training should be modernised and expanded.

## **Guideline 5    Increase labour supply and promote active ageing**

To create incentives for hiring older workers, some employee organisations propose to consider cutting the tax and contribution wedge for older workers. Others however, see helping the labour market integration of school leavers more important rather than promoting active ageing. They argue that because of the poor health condition force and the low life expectancy of the Hungarian population, active ageing is not a topical issue. As regards migrant workers, they accept the temporary and legal employment of ethnic Hungarian workers from neighbouring countries.

## **Guideline 6    Gender equality**

Trade unions agree with the content of the guideline, however suggest introducing more incentives to hire or retain women returning to work following child home care. To this end the dismissal protection of these groups should be restored to 90 days.

Concerning wage gaps, one of the trade union confederations calls for an action programme to tackle wage differences, modernise wage classifications and fully implement the principle of equal pay. They also emphasise the need to combat vertical segregation. Finally, they highlight that adult training should pay greater attention to sectors employing predominantly skilled female workforce.

## **Guideline 7    Promote the integration of and combat the discrimination against people at a disadvantage in the labour market**

Employee organisations highlight that to facilitate the labour market integration of disadvantaged people, more government-supported training and public works programmes are needed. However, to ensure efficiency people themselves should be more actively involved.

## **Guideline 8    Make work pay through incentives to enhance work attractiveness**

Trade unions urge the ratification of the Article 4. of the European Social Charter. Moreover they suggest that the average income should not fall within the range of the highest income tax rate. Concerning unemployment payments, they call for strengthening the link between unemployment benefit and previous income and also raise its maximum already in 2004. According to the representatives of the employees, the primary purpose of unemployment benefits is replacing missing income and giving the opportunity to search for and prepare to take up a new job.

## **Guideline 9    Transform undeclared work into regular employment**

In the trade unions' view, to combat undeclared work, the tax wedge on labour should be reduced, the flat-rate health contribution should be abolished and the Labour Code should be fully reviewed and amended. They add that labour inspection capacities should be strengthened and inspections and sanctions made stricter to prevent undeclared work.

## **Guideline 10   Address regional employment disparities**

In the regions lagging behind development and attracting investment should receive priority and also adequate funding should be allocated. In addressing regional disparities, it is of high importance to develop the transport, the infrastructure and the IT networks, and the construction of state-supported accommodation.

## **EMPLOYER ORGANISATIONS**

### **Guideline 1    Active and preventive measures for the unemployed and inactive population**

The representatives of employers emphasise that training should always be based on real labour market needs or be in line with regional development strategies. It is also important to ensure high quality. They also support that the new employment act enters into force at the earliest possible.

### **Guideline 2    Job creation and entrepreneurship**

They fully acknowledge the importance of job-creation and job-retention, however they add that a significant number of medium-sized firms suffer shortage of capital. As far as SMEs are concerned, besides improving training of management and entrepreneurial skills, they also consider necessary a better supply of funding resources and simplifying access to them. Finally they suggest considering tax and social security contributions cut and reducing the administrative burdens of businesses.

### **Guideline 3    Address change and promote adaptability and mobility in the labour market**

Adaptability can be enhanced by planned restructuring. The Government foster such sectoral and regional economic policies that facilitate labour-demand forecasting as well. They also emphasise the need for reliable economic analysis and prognosis.

They agree that the geographical mobility of the Hungarian workforce is not expected to increase, thus more support should be given to commuting, improving public transport and facilitate relocation.

Concerning the flexibility and security of employment, employers would need cheaper and more flexible employment. This would require the consolidation and dissemination of flexible contract types that are good for both employers and employees.

### **Guideline 4    Promote development of human capital and life-long learning**

According the representatives of the employers, education policy should be brought in line with the real needs of the economy. This could be facilitated by regular sectoral reports on labour supply and assessment of training/education. Priority should be given to adult training and re-training, furthermore the system of vocational and adult training should be modernised. It would be important to support also the basic skills development of workers in order to facilitate participation in lifelong learning. However, besides these major structural reforms, some short-term measures are needed as well. They acknowledge the importance of the role of employers in training. Employer organisations do not consider necessary and adequate to increase the number of university students.

### **Guideline 5    Increase labour supply and promote active ageing**

Employer organisations agree with the content of the guideline.

### **Guideline 6    Gender equality**

Employer organisations agree with the content of the guideline.

### **Guideline 7    Promote the integration of and combat the discrimination against people at a disadvantage in the labour market**

Employer organisations agree with the content of the guideline.

### **Guideline 8    Make work pay through incentives to enhance work attractiveness**



According to employers the rise of the minimum wage should be based on the performance and capacities of the economy or the given sector.

#### **Guideline 9 Transform undeclared work into regular employment**

Employers agree that to combat undeclared work, the tax wedge on labour should be reduced, the flat-rate health contribution should be abolished and the Labour Code should be fully reviewed and amended.

#### **Guideline 10 Address regional employment disparities**

The employers agree that mechanisms that take into account the capacities and characteristics of the regions and the labour needs of the businesses are needed to reduce regional disparities. Moreover, to boost business creation in the regions lagging behind financial incentives are needed.

The adequate implementation of the NAP and coordinating it with the Government agenda is a priority for the social partners. To ensure good governance both in the elaboration and implementation of the action plan continuous consultation and coordination with the social partners and organized interest groups is necessary. Regarding the budget of the NAP, social partners suggest considering highlighting fewer priorities for better concentration of financial resources. They recommend that the Labour Market Fund should allocate funding only for employment purposes, and especially increase funding for training and rehabilitation. The National Development Plan has a prominent role in attaining the objectives of the NAP. Social partners reassure their commitment to the implementation of the NAP and their participation in the Monitoring Committee. They also support the establishment of the inter-ministerial Committee for Employment.